

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (06/16):
BUTTER: Grade AA closed at \$1.1800. The weekly average for Grade AA is \$1.2400 (-.0992).

CHEESE: Barrels closed at \$1.2300 and blocks at \$1.2600. The weekly average for barrels is \$1.1870 (+.0550) and blocks, \$1.2040 (+.0750).

NONFAT DRY MILK: Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

BUTTER: The butter market is weak and very unsettled as buyers and sellers react to the large adjustment (over 30%) in CME weekly reported warehouse butter stocks on Tuesday (6/13). Feature activity on butter in selected markets is stimulating additional sales. Demand for cream from ice cream manufacturers is seasonal and competing with churners. The closing of schools for the summer has reduced the volumes of standardized cream available for purchase. Fat tests on incoming loads of farm milk are trending lower seasonally.

CHEESE: The cheese market is firm. Many traders expect prices may continue to move higher as milk supplies decline seasonally. Recent price increases have buyers more interested in spot purchases. Some sellers are willing to delay sales in the hope of additional price increases. Process demand is seasonally strong, aided by food service promotions and the summer travel and cookout seasons. During the week of June 12 - 16, CCC purchased 40,647 pounds of Midwestern blocks under the price support program. Milk supplies, particularly surplus volumes, are declining and this is reducing current cheese production.

FLUID MILK: Summer heat is beginning to take its toll on milk production. Midwest producers are seeing volumes level off earlier than anticipated at lower fat and protein tests. Seasonal declines are being reported throughout much of the South due to heat and humidity. Bottling activity is steady to lower with many schools now in recess. Retail promotions are encouraging steady fluid movement in areas of the South. Throughout the rest of the country, Class I demand is generally slow. Class II condensed prices are unchanged. Class III condensed prices continue to adjust with the lower Class III fluid price. Fluid cream demand is strong and supplies are tight. Multiples are generally unchanged and prices are higher due to increases in the CME AA weekly average price. However, recent declines in the butter price due to a reporting error on stocks at the CME are causing some members of the trade to question cream prices. In general, cream is anticipated to remain firm despite declines in the butter price. Ice cream production is strong and churning activity is steady to lower.

DRY PRODUCTS: Dry products markets are showing signs of strength as summer temperatures and consumer demands rise. Offers of NDM continue into government programs. Demand is fair to good on high heat and Grade A product. Extra Grade movement is slow on steady production schedules.

Buttermilk prices are generally higher. Due to buyer resistance, the East appears to be realizing a market peak. Supplies and production schedules are light. Whey markets are steady to firm. Demand is fair to good into domestic and export markets. Production is steady to higher as more milk is diverted to cheese. WPC prices continue to move higher. Demand is best into food facilities as feed buyers are finding it difficult to utilize WPC at the higher prices. Lactose prices are unchanged on a steady to weak market.

CCC: Net purchases reported for the week of June 12 - 16 totaled 11,990,238 pounds of nonfortified NDM. From this total, 8,841,596 pounds were from the West, 2,282,235 pounds were from the Midwest, and 866,407 pounds were from the East. Purchases also included 40,647 pounds of block cheese from the Midwest.

NYBOT TO END TRADING OF DAIRY CONTRACTS (NYBOT): The New York Board of Trade (NYBOT) voted at its June 14th Board meeting to close its dairy futures and options markets. In order to minimize market disruption, NYBOT will delist the Milk Index regular and large futures and options contracts as follows: first, no new months will be listed for trading and all months that now have an open interest of zero will be immediately delisted for that month. In addition, the Board extended the Market Maker program through December 15, 2000 to provide an orderly market while traders close out positions. The extension of the Market Maker program will help to provide the liquidity needed to wind down the market. The Board action delisting the contracts requires approval by the Commodity Futures Trading Commission (CFTC) before implementation.

FEDERAL ORDER REFORM (USDA, DAIRY PROGRAMS): The administrative law judge has issued an order extending the time to file briefs and proposed corrections to the record for the recently conducted hearing on the Class III & IV price formulas under Federal milk orders. The new dates are July 14 and June 30, respectively.

JANUARY MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS (USDA, DAIRY PROGRAMS): In January 2000, mailbox milk prices reported for selected Federal milk orders averaged \$11.84, \$0.23 less than the figure for the previous month. Compared to January 1999, mailbox milk prices decreased \$5.63 on the average.

MILK SUPPLY AND DEMAND ESTIMATES (USDA, WAOB): Milk production forecasts are virtually unchanged from last month. The 1999/2000 Class III price forecast is lowered from last month due to expected continued weakness in cheese prices, but is raised slightly for 2000/01. The Class IV price forecast is raised from last month on the strength of butter prices. The 1999/2000 all-milk price is forecast slightly higher, but the forecast is unchanged for 2000/01.

*****SPECIALS THIS ISSUE*****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JUNE 12	TUESDAY JUNE 13	WEDNESDAY JUNE 14	THURSDAY JUNE 15	FRIDAY JUNE 16	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.1600 (+.0200)	\$1.1600 (N.C.)	\$1.1650 (+.0050)	\$1.2200 (+.0550)	\$1.2300 (+.0100)	(+.0900)	\$1.1870 (+.0550)
40# BLOCKS	\$1.1600 (+.0250)	\$1.1700 (+.0100)	\$1.1800 (+.0100)	\$1.2500 (+.0700)	\$1.2600 (+.0100)	(+.1250)	\$1.2040 (+.0750)
NONFAT DRY MILK EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER GRADE AA	\$1.3200 (-.0100)	----	\$1.2200 (-.1000)	----	\$1.1800 (-.0400)	(-.1500)	\$1.2400 (-.0992)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, JUNE 12, 2000

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1600; 3 CARS 40# BLOCKS: 1 @ \$1.1450, 1 @ \$1.1550, 1 @ \$1.1650; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.1400, 1 @ \$1.1300; 3 CARS 40# BLOCKS: 1 @ \$1.1550, 1 @ \$1.1450, 1 @ \$1.1400; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.1600, 1 @ \$1.1700; 1 CAR BARRELS - 8 MONTHS OLD @ \$1.3000; 2 CARS 40# BLOCKS - 7 MONTHS OLD @ \$1.4500

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 4 CARS GRADE AA: 1 @ \$1.3125, 1 @ \$1.3150, 1 @ \$1.3175, 1 @ \$1.3200; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.2000; OFFERS UNCOVERED: 24 CARS GRADE AA: 1 @ \$1.3225, 2 @ \$1.3250, 2 @ \$1.3300, 1 @ \$1.3350, 2 @ \$1.3375, 5 @ \$1.3400, 2 @ \$1.3475, 5 @ \$1.3500, 2 @ \$1.3575, 2 @ \$1.3600

TUESDAY, JUNE 13, 2000

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.1700; BIDS UNFILLED: 2 CARS BARRELS @ \$1.1600; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.1700, 1 @ \$1.1800; 2 CARS 40# BLOCKS - 7 MONTHS OLD @ \$1.4500

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, JUNE 14, 2000

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.1700, 1 @ \$1.1675, 1 @ \$1.1650; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1600; 1 CAR 40# BLOCKS @ \$1.1800; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.1700, 1 @ \$1.1800; 1 CAR BARRELS - 8 MONTHS OLD @ \$1.3000; 2 CARS 40# BLOCKS - 7 MONTHS OLD @ \$1.4500

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 25 CARS GRADE AA: 2 @ \$1.1300, 3 @ \$1.1600, 1 @ \$1.1700, 8 @ \$1.1800, 5 @ \$1.1900, 1 @ \$1.1975, 1 @ \$1.2000, 2 @ \$1.2100, 1 @ \$1.2150, 1 @ \$1.2200; BIDS UNFILLED: 18 CARS GRADE AA: 2 @ \$1.1600, 1 @ \$1.1525, 2 @ \$1.1400, 1 @ \$1.0000, 1 @ \$0.9900, 1 @ \$0.8900, 10 @ \$0.6500; OFFERS UNCOVERED: 16 CARS GRADE AA: 6 @ \$1.2200, 1 @ \$1.2300, 1 @ \$1.2400, 1 @ \$1.2500, 1 @ \$1.2600, 1 @ \$1.2700, 1 @ \$1.2800, 1 @ \$1.2900, 1 @ \$1.3000, 1 @ \$1.3100, 1 @ \$1.3200

THURSDAY, JUNE 15, 2000

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.1800, 1 @ \$1.1850, 1 @ \$1.2100; 1 CAR 40# BLOCKS @ \$1.2400; BIDS UNFILLED: 11 CARS BARRELS: 1 @ \$1.2200, 2 @ \$1.1975, 1 @ \$1.1900, 2 @ \$1.1850, 3 @ \$1.1650, 2 @ \$1.1600; 2 CARS 40# BLOCKS: 1 @ \$1.2500, 1 @ \$1.1800; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2450

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, JUNE 16, 2000

CHEESE -- SALES: 2 CARS BARRELS @ \$1.2300; 1 CAR 40# BLOCKS @ \$1.2600; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2400

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 29 CARS GRADE AA: 1 @ \$1.1700, 1 @ \$1.1750, 7 @ \$1.1800, 1 @ \$1.1825, 2 @ \$1.1900, 1 @ \$1.1775, 2 @ \$1.1750, 1 @ \$1.1725, 1 @ \$1.1750, 2 @ \$1.1775, 5 @ \$1.1800, 1 @ \$1.1750, 1 @ \$1.1775, 1 @ \$1.1800, 1 @ \$1.1775, 1 @ \$1.1800; BIDS UNFILLED: 12 CARS GRADE AA: 2 @ \$1.1100, 5 @ \$1.1000, 5 @ \$1.0500; OFFERS UNCOVERED: 33 CARS GRADE AA: 3 @ \$1.1800, 10 @ \$1.1900, 2 @ \$1.1950, 6 @ \$1.2000, 1 @ \$1.2100, 11 @ \$1.2200

BUTTER MARKETS

NORTHEAST

Prices at the CME edged lower on Friday (6/9) and early this week. The market tone remains unsettled and contacts are still uncertain how to proceed. They do not want to build too much inventory at these higher prices, but they also do not want to be caught short later in the year. Reportedly, there maybe sufficient butter in storage to cover anticipated needs. Storage volumes have grown since January, but slightly lag last year's volumes. Churning activity is moderate. Some plants are selling their cream rather than making butter. Demand for fluid cream is good, but excess volumes are moving to local churning facilities late in the week. Demand for butter ranges from generally fair to good. Bulk butter demand is unchanged and spot sales remain in the range of 3-5 cents over the CME price/average.

CENTRAL

Butter markets remain unsettled. Recent declines in the cash price at the CME have many producers and handlers not questioning market direction quite as much. Many are more in agreement that weaker prices at this time are more warranted. Producers and handlers have varying reports of inventory status. Some indicate that current stocks and projected production should be sufficient to carry them into the fall, while others are looking for additional volumes to enhance current stocks. Cream volumes are not excessive for butter needs. Ice cream production is seasonally strong, thus absorbing a large percentage of

available cream. Butter demand is holding steady at good levels. Retail orders are good, stimulated by scattered feature and June Dairy Month promotions. Food service orders are equally as good as restaurants and resort areas address summer vacation demands. Reports indicate that some Midwestern resorts or summer vacation attractions might be busier than usual this year due to the high cost of fuel, thus families might staying closer to home, but still get away.

WEST

Butter prices at the CME continue to gyrate up and down. Most contacts are not surprised by this at this time of the year. Overall, most call demand quite good with a number of users concerned with butter availability for fall needs. Production is lower at some locations as milk begins to decline and the call for cream from ice cream plants remains excellent. Some cream continues to leave the region. A more than 30% adjustment/correction in weekly CME butter stocks has rendered as mostly meaningless any comparisons with last year since January. Last week, stocks trailed last year by about 10% and now, after the adjustment, they are 24% ahead of a year ago. Contacts wonder if this news will impact the butter market like the cheese stocks issue did last summer. Current prices for bulk butter range from 5 cents under to 2 cents under the market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
JUNE 10	1.0870 7,093,858	1.0701 10,114,332	1.0093 20,230,798	1.3040 2,405,085	0.1800 6,678,252

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are higher on process and natural cheddar items, unchanged on Swiss. The market tone is steady. Some contacts wonder about producers in the Midwest and West offering cheese to CCC one week and then see prices at the CME rise steadily over the next two weeks. Demand for cheese is steady at fairly good levels for both food service and retail accounts. Production levels in the East are steady to lighter as many feel that the spring flush is past and milk output is steady or starting to drop off. However, with schools closing in the next two to three weeks, more surplus milk should be available for manufacturing.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1675-1.6350
Cheddar Single Daisies	:	1.1250-1.5850
Cheddar 40# Block	:	1.2700-1.4450
Process 5# Loaf	:	1.3425-1.5150
Process 5# Sliced	:	1.3625-1.6200
Muenster	:	1.3275-1.6300
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is firming. Many traders anticipate further price increases but hope some restraint will be used to avoid another collapse later. The CME weekly average block price last week (\$1.1290) is about 20 cents below the comparable week in 1999. The cash barrel price is just over 16 cents below year ago levels. Current movement is steady to occasionally improved as some buyers try to build inventory before prices rise further. Process movement is seasonally good, bolstered by food service promotional activity. Barrels are probably in the tighter position. With the narrow and occasionally inverted block/barrel spread, some production is being shifted over to barrels. A few block producers have attempted to keep a positive price relationship compared to barrels. Undergrade interest seems spotty as buyers remain picky on purchases. Current production is trending lower as the annual milk peak is generally over. Cheese yields are declining seasonally.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.3125-1.4500
Brick And/Or Muenster 5#	:	1.4100-1.6900
Cheddar 40# Block	:	1.3900-2.1150
Monterey Jack 10#	:	1.5900-2.1150
Blue 5#	:	1.8250-1.9800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4500-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0000-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES : JUNE 12 - 16, 2000

BARRELS*	:	\$1.1325 - 1.1750 (NOMINAL)
	:	(\$.0325) (.0325)
40# BLOCKS	:	\$1.1300 - 1.1800 (NOMINAL)
	:	(\$.0175) (.0275)

() Change from previous week. * If steel, barrel returned.

WEST

Prices for both natural and process cheese increased while Swiss held steady. More contacts are beginning to believe that a bottom may have been established for cheese at the CME and prices have now started to increase seasonally as milk production declines. Some do remain a little surprised at how early in the season the strength started and the magnitude of the increase in only two weeks, but nevertheless, as time goes on, the market reality looks better to them. Many would not be surprised at some adjustment lower before prices resume their increase again. Some Western manufacturing plants have now changed their production mix and are now making more cheese. Cheese demand, overall, is excellent with barrels for processing in the tightest position. Undergrade cheese is moving well, but discounts remain large. Early summer promotions are widespread throughout the West. Swiss cheese is moving well and mozzarella remains in tight supply.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2850-1.5450
Cheddar 40# Block	:	1.2525-1.3925
Cheddar 10# Cuts	:	1.4325-1.6525
Monterey Jack 10#	:	1.4425-1.6025
Grade A Swiss Cuts 6 - 9#	:	2.2000-2.4500

FOREIGN

Prices are unchanged on imported and higher on domestic styles. The market tone is steady. Demand is falling into typical summer patterns. Demand is fair and often limited to replacement volumes. Stocks range from light to fully adequate to meet current needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.4700-2.9650*
Gorgonzola	: 3.2400-5.9400	: 2.0250-2.4900*
Parmesan (Italy)	: TFEWR	: 2.8850-2.9100*
Romano (Italy)	: 2.1000-2.5400	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.4850-1.7650*
Romano (Cows Milk)	: -0-	: 2.6600-4.8350*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.3100	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
06/12/00	29,454	: 129,431
06/01/00	27,134	: 129,671
CHANGE	2,320	: -240
% CHANGE	9	: N.C.

FLUID MILK AND CREAM

E A S T

Milk production is higher in the Northeast and decreasing in the Southeast. Cooler temperatures in the North are encouraging heavier than anticipated volumes. Added supplies due to school closings are encouraging some operations to open NDM facilities that were previously closed for the summer. Southern heat is showing seasonal declines in milk production. This week Florida will be shipping out 67 loads. This is down substantially from last week and last year when 114 and 72 loads were respectively shipped out of Florida. Class I demand is generally slow due to recent school closings. Bottling activity is down with most plants operating at less than capacity. However, areas with promotional activity in the South are reporting steady movement and bottling activity. Class III condensed is unchanged to lower as the market continues to adjust to lower Class III fluid prices. Demand from cheese facilities is generally unchanged. With NDM prices holding steady, Class II prices are not anticipated to change. Movement on Class II is down slightly compared to last year due to lower soft serve ice cream demand. The fluid cream market tends to be tight at the beginning of the week and loosens as the week progresses. Sellers generally are not offering product and buyers are searching for extra supplies as orders are running short. Multiples are unchanged with prices moving higher due to increases in the weekly average CME AA butter price. Adjustments to CME butter stocks are anticipated to weaken butter prices, yet cream markets are expected to remain firm. Cream movement is strong into ice cream plants and slow into butter. Churning activity is unchanged to lower at some plants.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.6874-1.9151
DELIVERED EQUIVALENT ATLANTA	-	1.7410-1.8481 M 1.7811-1.8213
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.7410-1.8347

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9900-1.1050
NORTHEAST- CLASS III - SPOT PRICES	- .7600-.9500

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
JUNE 9 - 15, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	0

Class I demand is often a little lighter but still good for summer. Frequent showers continue to affect milk producers in parts of Minnesota and Wisconsin where flooding and wet conditions prevail. Field operations are limited due to saturated soils. Milk supplies in the upper tier of Midwestern states appears to be not to far from being in balance, a surprise for many plants and handlers who were expecting surplus conditions to haunt them at least until the Independence Day holiday. Manufacturing milk prices are increasing with spot prices reported in the \$1.00 - 1.50 over class for short hauls. Wisconsin handlers shipped about 36 loads of milk into Missouri and are pooled under the local order. Discussions with Southern and Mid-South milk handlers have been going on with very preliminary expectations of a good need for milk shipments starting in a month or so. Temperatures warmed up during the weekend but cooled down after a few days with little lasting effect on milk receipts. In the central section of the region, the weather moderated and scattered showers helped to improve dry conditions. Milk supplies in the area seem to have reached a plateau. Fat and protein tests on incoming milk receipts are steady to lower. Milk intakes seem to have stabilized for the short term. Cream demand

remains seasonally good. However, the reporting error in the CME butter inventory total has raised a cloud over cream prices. Ice cream interest is good, but the cooler temperatures in some areas have not depleted warehouse stocks as quick as anticipated so some operations need to limit shipments to warehouses to what is moving out.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 8 - 14	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00- 45.50	\$ 36.00- 41.00
REPLACEMENT HEIFER CALVES	\$300.00-360.00	\$195.00-265.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JUNE 8 - 14	PREVIOUS YEAR
SLAUGHTER COWS	\$ 37.00- 48.50	\$ 32.50- 46.50

W E S T

The July Class 1 prices in California range from \$14.50 in the north to \$14.77 in the south. The statewide average Class 1 price based on production is \$14.56. The average is 78 cents higher than June and 38 cents above July 1999. The weather turned hot across most of the Southwest. Temperatures reached over 100 degrees in many parts of California. Milk production declines were noted in many areas of the state, but expected to show sharper declines where the hot conditions sustained for several days. Nighttime temperatures provide little relief and, in some areas, humidity was a problem. Heat abatement measures are in place to combat the conditions and provide some relief to dairy cows. Fat and solids levels on incoming milk are affecting yields. Power companies were having some localized problems and issuing their first stage alerts - asking customers to cut back on usage. Class 1 demand seemed to die both due to schools letting out and the hot conditions - milk consumption invariably drops during very hot weather. Early in the week, milk was actually on the long side due to some plants being down for part-days and days for various reasons. Cream demand is strong in the state and, with declining milk supplies and fat level, cream supplies are becoming tighter. Multiples range from 120 to 130 FOB. The declines in the butter prices are doing little to squelch cream demand, but interest is from usage other than butter churners. The biggest demand remains from ice cream producers. Hot weather continues in Arizona. Production declines and drops in solids were noted. Milk production is declining in New Mexico, but the number of expansions and cows being added is skewing production comparisons. Milk is being handled locally and no interest is being noted from sources outside the region. Fat and solids tests are steady to slightly lower from recent weeks. Milk production continues to increase seasonally in the Pacific Northwest. Weather conditions are warming up which is improving crop and pasture growth. Heifer demand seems to have slowed somewhat. Culling rates are increasing slightly as milk prices falter and cull cow prices improve. Feed costs are becoming more favorable again as grain prices decline. New crop hay prices are increasing and quality issues are more of a concern. Limited expansion plans are being put in place by a few dairy producers in the region. Some manufacturing plants in northern Utah and southern Idaho are speculating that their peak production days might be behind them. Other plants feel that the peak may still be a few weeks off, but they do not anticipate much additional increase at this time. Cheese markets seem to be in a tighter position even with the heavy milk production. Some plants are changing their product mix to include more cheese production. Some additional plant capacity is coming on line. Hay prices are firming much faster than milk producers in the region expected. Quality is generally OK. Some comments are being heard about possible cut backs in irrigation water allocations for later in the summer. This may further cut back on the winter feed stocks of various commodities.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 06/15/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged to higher on a mostly steady market. Movement into government programs is decreasing as domestic interest increases. Production is unchanged and inventories are in balance to tight at some locations. Some traders are taking a position on Grade A product and buying in anticipation of higher prices. High heat product is being produced on an as needed basis. Prices are trending 2-8 cents over the average for the fair demand.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9900 - 1.0300 MOSTLY: 1.0000 - 1.0100

DRY BUTTERMILK - CENTRAL

Prices are higher on a firm market. Some buyer resistance is being noted at the higher prices. Trading activity is very slow. Production is seasonally light as condensed product clears readily into ice cream facilities. Inventories are generally tight. Off grade product is available for the moderate interest.

BUTTERMILK: .8875 - .9125

DRY WHEY - CENTRAL

Prices are generally higher on a firm market. While prices are trending higher, premiums adjusted lower. Some producers are surprised by price increases while others see market changes as long past due. Inventories are mixed. Some manufacturers are running a little long on product while other are tight or sold out throughout the rest of the month. Buyers are generally not resisting price increases. Movement is fair to good into domestic food and feed accounts with some export inquiries noted. Production is generally steady with ample wet solids available.

NONHYGROSCOPIC: .1750 - .1900 MOSTLY: .1800 - .1900

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged on milk replacer and higher on roller ground and delactose. Milk replacer supplies are lower compared to last week. Producers are offering at higher prices and resisting lower bids. Roller ground prices are moving higher with changes in the Extra Grade market. Demand is good into export and domestic markets. Delactose movement is fair to good, best into food facilities. Supplies are in balance to tight on Extra and off grade product with the price spread between the two beginning to narrow. Hog and veal markets are showing signs of weakness.

MILK REPLACER: .1400 - .1675
 ROLLER GROUND: .1650 - .1825
 DELACTOSE (Min. 20% protein): .3500 - .3600

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady to weak market. Supplies are mixed with some producers running long while others are unable to satisfy current commitments. Demand is slow to fair, best into export markets. Third quarter contracts remain speculative with some new negotiations coming in below the average. Production is generally strong due to heavy WPC output. Feed buyers continue to resist current prices and are bidding lower. Off grade supplies are readily available and competitive with the Extra Grade feed interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2550 MOSTLY: .1900 - .2000

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are higher on a firm market. Feed buyers are finding it difficult to utilize WPC at the current prices. Many food buyers continue to purchase WPC at premium prices due to a lack of suitable substitutes. Producer stocks remain tight as some contracted orders continue to be deferred. However, inventories are generally in a better balance than previous weeks. Aged product from nearly 2 years ago is appearing on the market. Off grade product is trading near the average depending on product quality.

EXTRA GRADE 34% PROTEIN: .7225 - .7675 MOSTLY: .7225 - .7425

NONFAT DRY MILK - WEST

Prices are unchanged for low/medium heat, but slightly higher on the top end of the high heat series. The market tone remains weak for low/medium NDM, seasonally fair for high heat. Very few new developments are noted in the NDM complex. Production remains active to process milk, although some shifting of milk to cheese plants is occurring to take advantage of higher cheese prices. Hotter weather has affected some drying plants' efficiencies. Offerings continue to be heavy to the support program to balance inventories. Other demand is seldom better than light on a spot basis. Stocks remain heavy for low heat, in balance for high heat. During the week of June 5 - June 9, CCC adjusted purchases totaled 13.7 million pounds of NDM with 13.0 million from the West.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9900 - 1.0200 MOSTLY: 1.0000 - 1.0100
 HIGH HEAT: 1.0200 - 1.0750

DRY BUTTERMILK - WEST

Buttermilk prices are higher in limited trading. The market tone remains unsettled. There are few loads trading on the spot market and prices continue to approach nominal levels. Demand is seldom better than fair for the limited current offerings. Resistance is evident at the top end of the range as buyers are finding other alternatives. Production is declining with churning decreasing in the region. Inventory levels are light.

BUTTERMILK: .8200 - .8700 MOSTLY: .8200 - .8700

DRY WHEY - WEST

Prices are unchanged for Western whey powder. There continues to be a firming undertone to the market. Stocks are in better balance at most locations with some plants sold out for the rest of the month. Domestic demand is rated at least as good. Export interest is more mixed. Some contacts are finding it good while others are seeing a seasonal slow down. Production ranges from steady to slightly higher as some manufacturing plants increase output as the cheese market firms. The recent Japanese whey tender for animal feed product should not impact the U.S. market to any large extent.

NONHYGROSCOPIC: .1675 - .1875 MOSTLY: .1700 - .1750

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
June 9	\$1.0062	13,813,784
June 2	\$1.0083	11,426,189

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are unchanged on a steady market. Production is mixed. Milk volumes are seasonally decreasing in the South, freeing up some plants to produce more high heat. However, school closings and favorable weather in the North are increasing milk supplies available and encouraging operators to run full schedules. As dry conditions continue in the South, NDM production is anticipated to decline. NDM is clearing well into ice cream and cheese facilities with Grade A product generating the best interest. High heat supplies are in good balance. Some plants are building inventories. Most product is clearing well on regular contracts.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0100 - 1.0300 MOSTLY: 1.0100 - 1.0250

HIGH HEAT: 1.0650 - 1.0800 MOSTLY: 1.0650 - 1.0700

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1100

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to lower and nominal. The market tone is generally firm as product availability remains tight. However, some sellers are realizing a peak to the market as buyers resist continued price increases. Production is steady to lower as churning activity declines and ice cream production remains strong for condensed product. Inventories are generally in balance to meet regular commitments with some producers holding supplies in anticipation of production decreases and continued good demand.

F.O.B. NORTHEAST: .8800 - .9000

DELVD SOUTHEAST: .8500 - .9000

DRY WHOLE MILK - NATIONAL

Prices are unchanged to higher as the market continues to adjust to CME AA weekly average prices. With steep decreases in the current AA price, some producers are unsure how whole milk prices will adjust given the current firm interest. Demand is strong into export confectionary plants. Domestic movement is generally good into candy and baking facilities. Some facilities diverted production schedules back to NDM in order to handle unanticipated milk volumes. However, whole milk production remains unchanged and inventories are in line with current interest.

F.O.B. PRODUCING PLANT: 1.2050 - 1.3200

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH JUNE 9, 2000
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 101,383 MT (228,876,284 LBS)
Program-year and preallocated volumes are filled.

WHOLE MILK POWDER -- 13,968 MT (30,793,853 LBS)
CHANGE -- 1,091 MT (2,405,219 LBS)

CHEESE -- 3,707 MT (8,172,452 LBS)
CHANGE -- 169 MT (372,577 LBS)

BUTTERFAT -- 5,298 MT (11,679,970 LBS)

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT. These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese. March 31, 2000: USDA announced an that additional 8,232 MT of dry whole milk was made available under DEIP until June 30, 2000.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged to lower on a steady to firm market. Spot sale activity is light due to trade presence at IFT and tightening supplies in the region. Premium prices obtained during last week were not reported for the current week. Forward contracting is common as some plants are sold out through much of the month of June. Production is unchanged to slightly lower as milk volumes seasonally decline. Some export inquiries are being reported. Demand into domestic food and feed accounts is generally good with Grade A product clearing the best. Off grade production is light for the moderate interest.

F.O.B. NORTHEAST: EXTRA GRADE .1825 - .1900

USPH GRADE A .1850 - .1950

DELVD SOUTHEAST: .2050 - .2200

EVAPORATED MILK - NATIONAL

Prices are unchanged on a steady market. Demand is moderate with buyers purchasing on an as needed basis. Most movement is occurring on regular contracts. Production is steady and supplies are ample as manufacturers prepare for fall demand and declining milk volumes.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$20.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

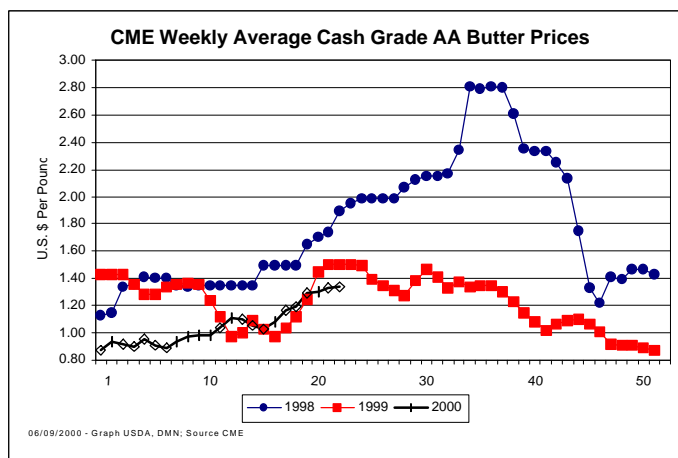
CASEIN - NATIONAL

Casein markets remain firm at basically unchanged prices. Supplies of both rennet and acid continue to be reported as limited. Domestic buyers continue to receive shipments, but most of the arrivals are delayed from previously scheduled delivery arrangements. U.S. buyers continue to question European availability. Buyers are aware of the strong powdered milk markets in Europe and are questioning casein production projections. Although acquiring fluid milk for manufactured dairy products in Europe is very competitive, some casein producers are indicating that they do not foresee problems with meeting U.S. needs, while other producers are not as optimistic. In both instances, they indicate that prices will probably be higher for at least 3rd quarter deliveries.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.0500 - 2.2000

ACID: 2.0700 - 2.2000



MILK SUPPLY AND DEMAND ESTIMATES*

Milk production forecasts are virtually unchanged from last month. The 1999/2000 Class III price forecast is lowered from last month due to expected continued weakness in cheese prices, but is raised slightly for 2000/01. The Class IV price forecast is raised from last month on the strength of butter prices. The 1999/2000 all-milk price is forecast slightly higher, but the forecast is unchanged for 2000/01.

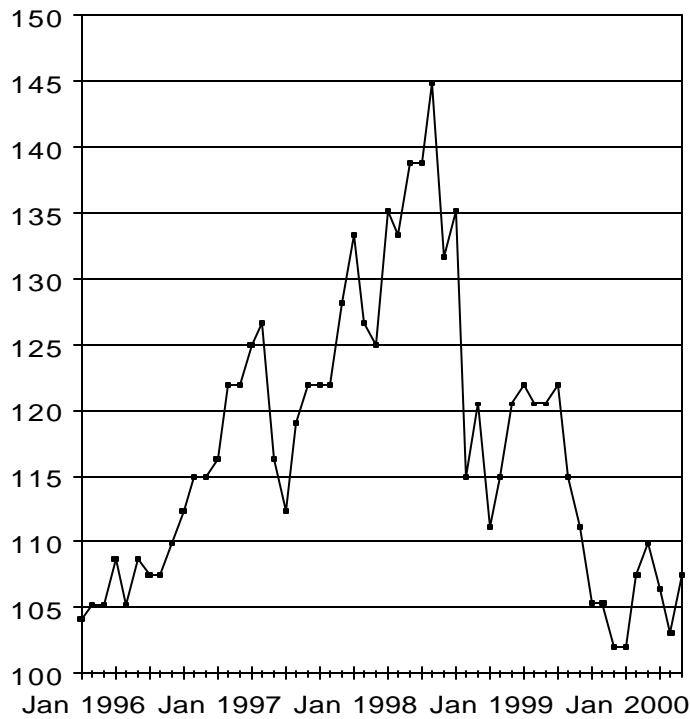
Item	1998/99 1/	1999/00 Projection 1/		2000/01 Projection 1/	
		May	June	May	June
SUPPLY		BILLION POUNDS			
BEGINNING COMMERCIAL STOCKS 2/	5.8	7.4	7.4	7.0	7.0
PRODUCTION	161.2	167.2	167.1	167.0	167.0
FARM USE	1.4	1.3	1.3	1.3	1.3
MARKETINGS	159.8	165.8	165.8	165.7	165.7
IMPORTS 2/	4.8	4.1	4.1	4.0	4.0
TOTAL COMMERCIAL SUPPLY 2/	170.4	177.3	177.3	176.7	176.7
USE					
COMMERCIAL USE 2/ 3/	162.7	169.5	169.4	169.6	169.6
ENDING COMMERCIAL STOCKS 2/	7.4	7.0	7.0	6.8	6.8
CCC NET REMOVALS:					
MILKFAT BASIS 4/	0.3	0.9	0.9	0.3	0.3
SKIM SOLIDS BASIS 4/	5.4	8.7	8.6	2.6	2.6
		DOLLARS PER CWT.			
MILK PRICES 5/					
BASIC FORMULA/CLASS III PRICE 6/	14.04	10.10-10.30	10.00-10.20	10.55-11.55	10.60-11.60
CLASS IV 7/	NA	11.35-11.65	11.55-11.85	10.70-11.90	10.75-11.95
ALL MILK 8/	15.37	12.50-12.70	12.60-12.80	12.20-13.20	12.20-13.20
		MILLION POUNDS			
CCC PRODUCT NET REMOVALS 4/					
BUTTER	1	15	15	10	10
CHEESE	6	15	15	6	6
NONFAT DRY MILK	449	710	705	215	215
DRY WHOLE MILK	12	35	35	0	0
	QUARTERLY 9/			ANNUAL 9/	
	2000 II	2000 III	2000 IV	2000	2001
MILK PRODUCTION	43.3	40.8	40.7	167.4	167.1
		DOLLARS PER CWT.			
ALL MILK PRICE 5/ 8/	11.90-12.10	12.85-13.35	13.85-14.65	12.60-13.00	12.30-13.30
CLASS III PRICE 5/ 6/	9.35-9.55	10.75-11.25	12.20-13.00	10.50-10.90	10.70-11.70
CLASS IV PRICE 5/ 7/	11.80-12.00	12.35-12.85	12.05-12.85	11.75-12.15	10.90-11.90

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes commercial exports. 4/ Includes products exported under Dairy Export Incentive Program. 5/ Projections indicate a range of the average for the quarter or year. 6/ Basic Formula Price (BFP) through December 31, 1999; Federal milk order Class III price beginning January 1, 2000. 7/ Federal milk order Class IV price. 8/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 9/ Calendar year basis projection.

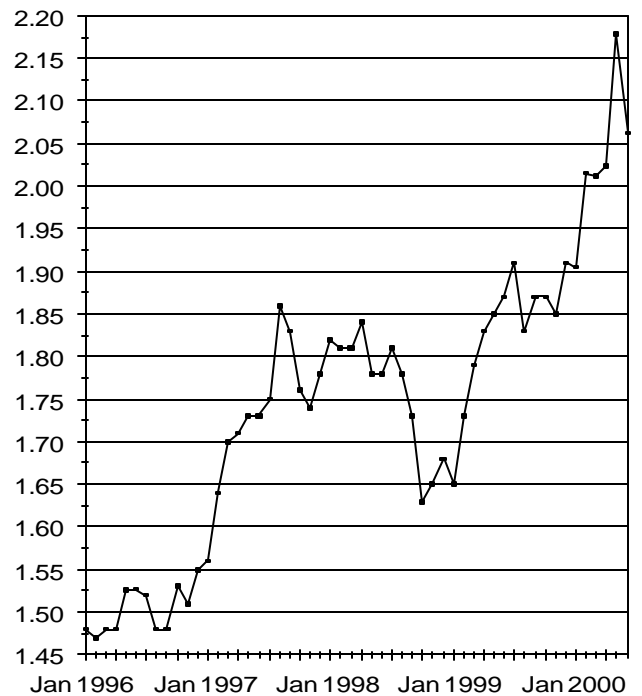
* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairperson, WAOB; John Mengel, AMS; Authur Coffing, FAS; James Miller, ERS; and Daniel Colacicco, FSA.

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-361, World Agricultural Outlook Board, USDA, June 9, 2000.

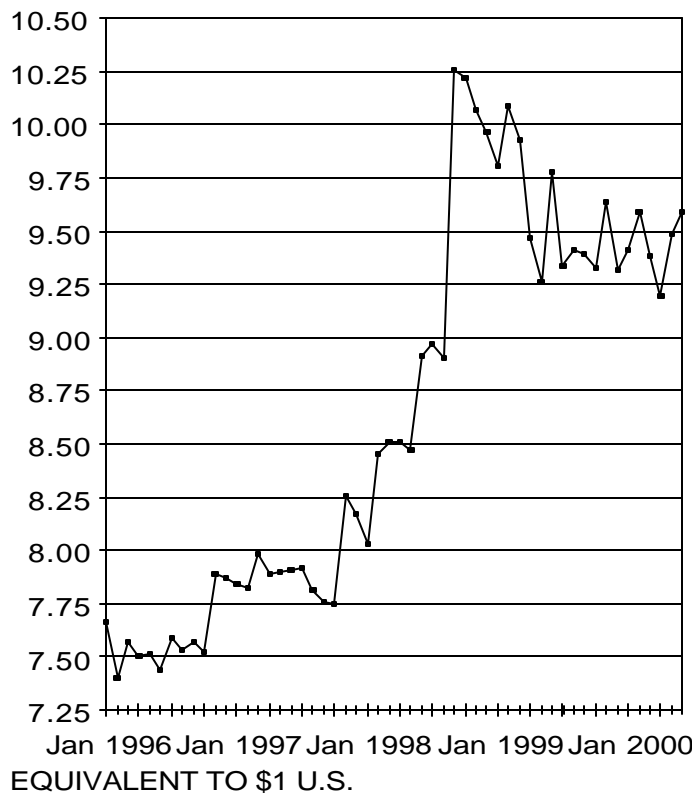
JAPANESE YEN



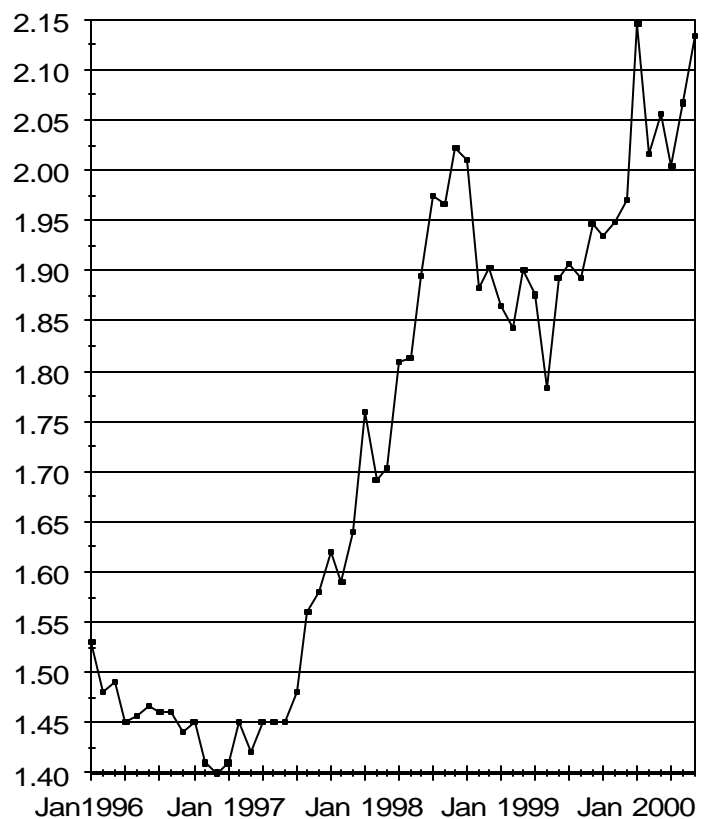
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MEXICAN PESO



NEW ZEALAND DOLLAR



U.S. IMPORTS AND EXPORTS OF DAIRY PRODUCTS, 1999 ANNUAL, JANUARY-MARCH 1999-2000

COMMODITY SUMMARY OF U.S. IMPORTS OF DAIRY PRODUCTS ^{1/}

Commodity	Quantity (in Metric Tons)			Value (In \$1,000)		
	Jan.-Dec. 1999	Jan.-Mar. 1999	Jan.-Mar. 2000	Jan.-Dec. 1999	Jan.-Mar. 1999	Jan.-Mar. 2000
Milk and Cream ^{2/}	16,816	6,746	2,525	16,972	6,055	2,894
Other Fluid Products ^{2/ 3/}	172	82	40	28,884	3,706	7,665
Dried Dairy Products	16,911	4,828	5,875	21,926	6,066	7,362
Cheese, Quota	147,642	30,631	28,571	491,074	105,332	101,653
Cheese, Nonquota	52,372	11,411	12,673	224,088	50,520	51,316
Butter	17,977	3,920	1,907	32,680	8,026	3,406
Casein	65,960	13,058	16,330	238,774	49,118	62,742
Milk Protein Concentrate	54,725	11,187	20,482	151,197	30,462	61,349
Other, Dairy Products	43,763	9,833	12,025	86,483	20,682	27,055
Total ^{4/}	---	---	---	1,292,078	279,967	325,442

^{1/} Data may differ from U.S. Customs Service data, which is used to administer dairy import quotas. Differences are due to transshipments, errors in classification, and processing lags. ^{2/} Quantity shown in kiloliters. ^{3/} Includes ice cream and yogurt. ^{4/} Total volume not shown due to the use of mixed units.

COMMODITY SUMMARY OF U.S. EXPORTS OF DAIRY PRODUCTS

Commodity	Quantity (in Metric Tons) ^{1/}			Value (In \$1,000)		
	Jan.-Dec. 1999	Jan.-Mar. 1999	Jan.-Mar. 2000	Jan.-Dec. 1999	Jan.-Mar. 1999	Jan.-Mar. 2000
Butter & Milkfat	3,208	425	3,867	4,511	691	3,036
Cheese & Curd	38,304	8,414	9,254	130,075	28,131	28,432
Casein	5,145	1,607	964	25,450	8,307	4,755
Dry Whole Milk & Cream	17,605	2,323	4,757	21,419	2,523	5,358
Condensed & Evaporated Milk	4,821	993	1,313	3,646	1,009	1,284
Nonfat Dry Milk	120,858	25,545	48,807	167,709	34,869	66,254
Ice Cream	39,701	8,655	10,402	84,692	17,924	23,140
Whey	---	---	---	126,236	30,217	36,783
Yogurt & Other Fermented Milk	---	---	---	7,798	1,293	2,201
Other Dairy Products	---	---	---	299,431	73,177	75,949
Total ^{1/}	---	---	---	870,967	198,141	247,192
Fluid Milk & Cream ^{2/}	18,280	3,903	4,553	16,228	3,376	4,036
Total Milk & Products ^{1/}	---	---	---	887,195	201,517	251,228

^{1/} Volume information for whey, yogurt and other fermented milk, other dairy products, and total milk and products is not available as these commodities are reported in mixed units. ^{2/} Quantity shown in kiloliters.

SOURCE: "Foreign Agriculture Circular: Dairy, Livestock, and Poultry: U.S. Trade and Prospects", FDLP 05-00, June 2000, U.S. Department of Agriculture, Foreign Agricultural Service, Washington, DC. Data provided by U.S. Department of Commerce, Bureau of the Census. For further information, contact Arthur Coffing at (202) 720-3761.

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS,
JANUARY 2000, WITH COMPARISONS**

In January 2000, mailbox milk prices reported for selected Federal milk orders averaged \$11.84 per cwt., \$.23 less than the figure for the previous month. Compared to January 1999, mailbox milk prices decreased \$5.63 per cwt. on the average.

Editor's Note: The development of additional mailbox prices for sub-order areas is being investigated.

Federal milk order <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	January 1999	December 1999	January 2000
	<u>Dollars per hundredweight</u>		
Northeast <u>3/</u>	17.35	12.31	12.08
Mideast	18.08	12.38	12.14
Appalachian	18.94	13.72	13.10
Southeast	18.40	12.70	11.87
Florida	20.27	15.59	14.88
Southeastern Average <u>4/</u>	19.23	13.96	12.83
Upper Midwest	17.18	11.29	11.42
Central	17.24	11.51	11.50
Southwest	16.87	12.44	12.06
Western	16.10	10.39	10.67
Pacific Northwest	16.07	11.45	11.26
Mountain Average <u>4/</u>	16.08	10.95	11.04
All-Market Average <u>4/</u>	17.47	12.07	11.84

1/ Federal milk orders for which information could be released. Previous year figures are the weighted average of the prices for the orders that were consolidated. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the market and is reported at the market average butterfat test. 3/ Includes the value of Northeast Dairy Compact over-order payments received by qualified producers. The over-order producer prices were: Jan. 1999 \$0.00; Dec. 1999 \$1.00; Jan. 2000 \$1.21. 4/ Weighted average of the information for the orders listed in the region or for all selected orders combined.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF JUNE 12 - 16, 2000			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 06/02/00	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	40,647	-0-	40,647	1,247,594	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	5,583,600	-0-	-0-	-0-
TOTAL	40,647	-0-	40,647	6,831,194	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	14,602,197	2,611,959	11,990,238	357,410,987	128,264,594	-0-	-0-
Fortified	-0-	-0-	-0-	5,313,347	118,457	-0-	-0-
TOTAL	14,602,197	2,611,959	11,990,238	362,724,334	128,383,051	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	<u>BASIS</u>	<u>SOLIDS</u>		<u>BASIS</u>	<u>SOLIDS</u>
WEEK OF JUNE 12 - 16, 2000 =	3.0	140.0	COMPARABLE WEEK IN 1999 =	1.2	63.8
CUMULATIVE SINCE OCTOBER 1, 1999 =	142.9	4,289.7	CUMULATIVE SAME PERIOD LAST YEAR =	28.2	1,494.4
CUMULATIVE JANUARY 1 - JUNE 16, 2000 =	131.6	3,696.6	COMPARABLE CALENDAR YEAR 1999 =	28.2	1,493.2

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JUNE 12 - 16, 2000 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	40,647	-0-	-0-	2,282,235	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	8,841,596	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	866,407	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MIDWEST	-0-	-0-	6,750,666	-0-	43,190,119	11,724,784	50.3	9.1
WEST	-0-	-0-	80,528	-0-	315,304,139	116,658,267	49.1	90.9
EAST	-0-	-0-	-0-	-0-	4,230,076	-0-	0.6	0.0
TOTAL	-0-	-0-	6,831,194	-0-	362,724,334	128,383,051	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 05/27/00 & Comparable Week 1999 1/ 2/

Regions*											U.S. TOTAL	% DAIRY OF ALL		
Regi ons*	1	2	3	4	5	6	7	8	9	10	WEEK : SINCE JAN 1	WEEK : SINCE JAN 1		
2000-Dairy cows HD (000)	0.2	0.9	5.6	4.7	20.3	2.1	0.6	0.6	9.9	2.8	47.7	1,125.6	44.0	49.6
1999-Dairy cows HD (000)	0.3	1.0	5.5	5.5	17.2	1.7	2.8	0.6	7.9	2.4	45.0	1,096.5	40.3	46.0
2000-All cows HD (000)	0.3	1.1	7.6	14.6	29.3	17.5	14.7	4.2	13.1	5.9	108.3	2,267.7		
1999-All cows HD (000)	0.3	1.1	7.5	17.7	24.9	15.7	20.8	3.8	12.4	7.7	111.8	2,381.8		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

BASIC FORMULA PRICE (BFP) (3.5% BF, \$/CWT, FOR COMPARISON PURPOSES ONLY)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63

FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class I 1/	10.90	10.71	10.84	10.93	11.48	11.70						
Class II	11.43	11.51	11.71	12.10	12.63							
Class III	10.05	9.54	9.54	9.41	9.37							
Class IV	10.73	10.80	11.00	11.38	11.91							

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/fmor_announce.htm